GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

STARRED QUESTION NO:178
ANSWERED ON:05.05.2016
Aviation Policy
Ranjan (Pappu Yadav) Shri Rajesh

Will the Minister of CIVIL AVIATION be pleased to state:

a) the status of the draft National Civil Aviation Policy, 2015?

b) whether the Government has undertaken any measures to institutionalize regional connectivity, if so, the details thereof;

c) whether the Government has made progress in Maintenance, Repair and Overhaul (MRO) operations and granting "infrastructure" status to aviation sub-sectors, if so, the details thereof;

d) whether the Government has proposed to auction the air traffic rights in the draft aviation policy; and
e) if so, the details thereof?

Answer

The Minister of CIVIL AVIATION
(Shri Ashok Gajapathi Raju Pusapati)

(a) to (e) : A statement is laid on the Table of the House.

Statement referred in reply to Part (a) to (e) of Lok Sabha Starred (*) Question No. 178 regarding "Aviation Policy" to be answered on 05.05.2016 a) The draft National Civil Aviation Policy was placed in the public domain from 30th October 2015 to 30th November 2015. The response received from the stakeholders were examined and several rounds of discussion held with all the major stakeholders. After the consultation process, the draft Cabinet Note on the implementation of the National Civil Aviation Policy has been circulated for inter-Ministerial consultations. b) The Draft National Civil Aviation Policy aims at providing air connectivity to unconnected and unserved airports. This would entail revival of unused airports and airstrips, provide Viability Gap Funding for aircraft operators and concessions from Central and State Government and airport operators. The Hon"ble Finance Minister in his budget speech has stated that "the Government is drawing up an action plan for revival of unserved and undeserved airports. There are 160 airports and airstrips with the State Government which can be revived at an indicative price of Rs 50 crore to Rs 100 crore each. The Central Government will partner with the State Government to develop some of these airports for regional connectivity. Similarly, 10 of the 25 non functional airports with Airports Authority of India will also be developed." c) In the budget for 2016-17 the Hon"ble Finance Minister has proposed changes in customs and simplified procedures so as to reduce cost and improve competitiveness of the domestic MRO industry. The budget notification has provided that tools and tool kits used by MRO will be exempt from Custom Duty; the procedure for availment of exemption from Custom duty has been simplified; restriction of one year for utilisation of duty free parts has been increased to 3 years and foreign aircraft brought to India for MRO work are allowed to remain in the country upto 6 months or as extended by DGCA. MRO, Ground Handling, Cargo and ATF infrastructure Co-located at an airport are covered under the "Harmonised list of Infrastructure". d) and (e) In the draft Civil Aviation Policy, the Government has proposed a completely transparent system of allotment of additional capacity entitlement wherever designated Indian carriers have not adequately utilised their bilateral rights, but the foreign countries/airlines are pressing for increase in the capacity.